

Conditional Commitment for Guarantee Beverage Container Recycling Infrastructure Loan Guarantee Program



The Department of Conservation (Department) is authorized to create a ten million dollar **(\$10,000,000)** Beverage Container Recycling Infrastructure Loan Guarantee Account in the California Beverage Container Recycling Fund. Funds in this revolving account are continuously appropriated to issue capital expenditure loan guarantees for new recycling infrastructure located in the state.

1. Borrower Information

Borrower Contact Name:	Date of DOC Approval:	Pre-App/Loan Number:	
Borrower Name:	Borrower Address:		
City:	State:	Zip Code:	Telephone:

2. Approval Conditions

Based on an examination of the *Borrower Pre-Application Forms and Directions, Form DOR-LG-1 (Pre-Application)*, completed and submitted by the Borrower (and attached to this document), and other relevant information, the Department, hereby agrees that it will execute a *Loan Note Guarantee, Form DOR-LG-5*, for the project as identified by the Pre-Application identified above, subject to the conditions specified herein and in *Lender's Agreement, DOR-LG-4*.

Prior to issuing the *Loan Note Guarantee*, the following conditions shall be met:

- The Lender is an eligible lender, as defined and certified in the *Lender's Agreement, Form DOR-LG-4*, Section I.D.
- The Lender shall approve the project loan, following standard commercial lending criteria, and the procedures and requirements of the *Lender's Agreement, Form DOR-LG-4*, Section II.
- The loan guarantee amount shall not exceed \$_____, as specified in the *Pre-Application*, and the loan guarantee percentage shall not exceed eighty-five percent (85%) for eligible project loans equal to or less than \$150,000, and seventy-five percent (75%) for loans above \$150,000._____
- The purposes for which the loan funds will be used and the maximum amounts to be used for such purposes are set out in the completed *Borrower Pre-Application Forms and Directions, Form DOR-LG-1*. No major change of conditions or approved loan purpose as listed will be considered.
- The Lender shall submit the completed final application to the Department, as described, within 40 working days of the date of this pre-application approval, or by _____, at 5:00 P.M.
- The final application shall consist of the following three documents:
 - *Lender Final Application Cover Form, DOR-LG-3* (2 copies, signed by Lender and Borrower)
 - *Lender's Agreement, Form DOR-LG-4* (2 copies, signed by Lender)
 - Lender's Loan Agreement with Borrower (2 copies, signed by Lender and Borrower)
- The terms and conditions of the Loan Agreement with the Borrower must be consistent with the program guidelines and requirements, as specified in statute, and *Forms DOR-LG-1* and *DOR-LG-4*.

In the event of the Department's failure to issue a guarantee in a situation where the Department is found to be in breach, the Borrower or Lender's remedy is limited to a suit for the guaranteed portion of principal and interest which ultimately remains unpaid.

This agreement becomes null and void unless the conditions are accepted and acted upon by the Lender and Borrower within 40 working days from the date of issuance by the Department. If the conditions set forth in this commitment are not met by _____ at 5:00 P.M., the Department reserves the right to discontinue the processing of the application and terminate its loan guarantee commitment.

3. Department Approval Signature

California Department of Conservation

By: _____
(Signature)

(Name typed or printed)

Title: Assistant Director for Recycling

Date: _____